

EXHIBIT C

From: Gianluca Martino [REDACTED]
Subject: Re: [Team] July report
Date: August 15, 2009 at 2:37 AM
To: David A. Mellis [REDACTED] Tom Igoe [REDACTED]
Cc: team@arduino.cc

Hi guys,

today is THE holiday! Italians went crazy on 15th August ("ferragosto").

BTW, some replies in the middles, and a couple of notes.

- 1) I'm not for not paying taxes, I'd like only to avoid to waste money
- 2) a question: if at the end of the year Arduino LLC will close with eg [REDACTED] USD of profit,
2A) will they be taxed?
2B) what we will use that money for?
2C) will we split a part of that? If yes, let's work on this to avoid the double taxation on this part

But please let's wait we all come back from holiday, let us check again with our business accountants and let's discuss this on the 2nd planned skype meeting (the first is at the end of August, business accountants are closed)

At 02.40 15/08/2009, David A. Mellis wrote:

Hi,

There's no inherent reason that the current setup needs to involve double taxation. The difficulties arise because of the apparent complications in the Italian tax system.

real

Massimo and Gianluca, can you provide an explanation of what you can and can't do under the Italian tax system? For example, can you be a partner in a foreign partnership?

yes, but better if not earning money

Can you be a stockholder of a foreign corporation?

yes, but if earning money as profit, they will be double taxed.

eg: Arduino LLC have a 100 profit, that means 70 after taxes. our quota is 14 each. receiving 14 I will pay 4 of Italian taxes and the net is 10. Making an invoice of 20 to Arduino directly, we will pay 6 of Italian taxes and the net is 14.

Can you pay royalties to a foreign partnership or corporation?

yes if they are 2% or less (a strange regulation) if they are higher than that you have to demonstrate the royalties you pay are for a technological advantage the other entity is giving you (technology, know-how, patents), that's why I asked for different indication on the invoices

Can you pay invoices to a foreign person, company, or partnership?

yes

This will help us understand what's possible and what's not. I'd like to think we can find a solution that allows the Arduino company to function while avoiding causing you any problems with the tax authorities.

Here's one idea. Arduino, LLC continues to invoice Gianluca for the royalties each month. Each month, we subtract an estimate of Gianluca's share of the royalties. This enables Gianluca to get (back) his share of the Arduino royalties without it appearing as

| income from a foreign company.

quite confusing. For me is better to pay them in full and then make an invoice to have the quota assigned to me back

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